

DEPARTMENT OF WORKFORCE DEVELOPMENT  
DIVISION OF WORKFORCE SOLUTIONS  
ADMINISTRATOR'S MEMO SERIES

NOTICE 01-26

DATE: 12/19/2001

DISPOSAL DATE: Ongoing

RE: WAA CONTRACT  
EXTENSION

To: W-2 Agency Directors  
Workforce Development Board Directors

From: Eric Baker /s/  
Division Administrator

## **PURPOSE**

The purpose of this memo is to inform agencies of the Department of Workforce Development's (DWD) decision to extend current Workforce Attachment and Advancement (WAA) contracts for a six-month period from January 1, 2002, through June 30, 2002.

## **BACKGROUND**

The WAA program was authorized by 1999 Wisconsin Act 9 for the 99-01 biennium (7/1/99-6/30/01). The WAA contract language provides for an initial program period of January 1, 2000 to December 31, 2001. This contract period was chosen for the following reasons: there was a delay in the final enactment of the budget bill (10/27/99); the bill required Joint Finance Committee approval for expenditure of the funds (this occurred on 12/21/99); and DWD matched the contract periods for the WAA program with the W-2 contracts. DWD chose this contract period with the understanding that funding needed for these contracts after June 30, 2001, would have to be authorized in the 2001-2003 biennium.

The funding authorized under 2001 Wisconsin Act 16 (the 2001-2003 biennial budget act) for the first year of the biennium does not include any new funding, but only funding to cover the current contracts. Thus, there is a gap in WAA funding from the period January 1, 2002, through June 30, 2002, and new WAA funding will not be available until July 1, 2002.

## **CONTRACT EXTENSION**

In order to allow expenditures in WAA from January 1, 2002 to June 30, 2002 and to avoid a break in program operation, DWD will extend the current WAA contracts for six months. Due to the late start and underspending in the program, many WAA agencies will be able to use their current funds to cover an additional six-month period of program operation. However, there is significant variation in expenditure rates across the state. The total expenditure information

through September shows that 57% of Track 1 funds and 53% of Track 2 funds have been spent (55% of the total program funds).

## **DEOBLIGATION/REOBLIGATION**

For those agencies that will not have sufficient funds to operate for an additional six months, DWD has pursued a second round of deobligation and reobligation. The WAA Program Guide and the WAA contract language specify that DWD has the discretion to deobligate unexpended WAA funds for agencies whose budgets are underspent by 20% or more on a year-to-date basis at the end of the first contract year. This deobligation process helps to ensure that unspent WAA funds will be expended where most needed on a statewide basis. As with the previous round of deobligation and reobligation completed in July, DWD's primary concern is ensuring that the entire deobligation amount will be readily utilized by other agencies.

The Department assessed the spending patterns of each agency for the period from March to August 2001. DWD calculated deobligation/reobligation amounts using spending projections for the extension period based on previous spending plus an additional 10% to allow for variations. DWD also requested information from all agencies regarding their obligated contracts. DWD shared the proposed deobligation amounts with each agency facing deobligation and requested that agencies demonstrate evidence of encumbered funds that justify a reduced deobligation. The next step was to ask each agency eligible for a reobligation to submit a request for additional funds needed for the six-month extension. These reobligation requests were then considered carefully along with the deobligations to determine the most appropriate final amounts. These final amounts reflect considerable input from each WAA agency.

## **NEXT STEPS**

The Department will proceed with the contract extensions which will include, if appropriate, the amended funding amount for deobligation/reobligation. For track 1 agencies, the Department will issue two W-2 Contract Amendments. The Amendment to the 2000/2001 Contract will reduce the WAA funding to zero for the period of January 1, 2000, through December 31, 2001. The Amendment to the 2002/2003 Contract will re-issue the WAA funding amount for a period of January 1, 2000, through June 30, 2002, in accordance with the attached table of WAA Final Deobligation and Reobligation Amounts.

For track 2 agencies, DWD will extend the current grant agreements to cover the additional six-month period, and the allocation will be increased, decreased, or will remain the same in accordance with the attached table of WAA Final Deobligation and Reobligation Amounts.

## **WAA PLANS**

The current WAA plan will remain in effect throughout the six-month extension period. All agencies whose allocation is affected by a reobligation or a deobligation must submit an updated budget page to the appropriate Regional Office staff or Local Program Liaison by January 22, 2002. Agencies who plan to eliminate or add activities to their current plan should submit a plan modification by this date, as well.

DWD will require all agencies receiving WAA funds through the next contract cycle to complete a new WAA plan prior to July 1, 2002. DWD will release planning guidelines in April, and

agencies will have six weeks to complete their plans. As part of this process, all agencies will again have the opportunity to deobligate their WAA allocation between tracks in their area.

## **FUTURE CONTRACTS**

The subsequent WAA contract period will cover the 18-month period from July 1, 2002, through December 31, 2003. This will synchronize the WAA contracts with the W-2 contract cycle once again. The current budget allocates \$7,842,200 for the next contracts, and this amount is intended to cover 12 months of program operation. Any additional funding for the next round of contracts will require a biennial budget request. DWD will use the allocated amount to cover 18 months and will plan to pursue additional funding for this contract cycle as part of the biennial budget process.

Regional Office Contact:      Area Administrator or Local Program Liaison

Attachment

**Attachment**

**WAA FINAL DEOBLIGATION AND REOBLIGATION AMOUNTS  
December 2001**

<b>Deobligation</b>	
<b>Agency</b>	<b>Deobligation Amount</b>
<b>Track 1</b>	
Adams	12,864
Barron	45,275
Brown	129,176
Buffalo	14,194
Crawford	710
Dane	2,550
Dodge	16,000
Douglas	50,000
Fond du Lac	50,647
Grant CST	50,189
Oconto	15,445
Price	4,966
Racine	30,580
St Croix	5,050
Sheboygan	20,155
Taylor	6,537
Trempealeau	8,668
Vernon	25,969
Waushara	20,930
Emp Solutions	123,581
FSC - Florence	8,000
Kaiser Walworth	29,089
<b>Track 2</b>	
Milwaukee WDB	516,590
North Central	16,475
<b>Total</b>	<b>1,203,640</b>

<b>Reobligation</b>	
<b>Agency</b>	<b>Reobligation Amount</b>
<b>Track 1</b>	
Calumet	8,037
Columbia	21,006
Door	16,121
Jefferson	24,964
Kenosha	149,828
Langlade (FSC)	34,138
Lincoln	5,162
Manitowoc	15,798
Marquette	3,384
Ozaukee	16,530
Rock	80,743
Sauk	6,877
Washington	32,136
Waupaca	1,630
YW-Works	62,194
UMOS	226,307
FS-Kewaunee	1,184
Shawano JC	7,095
C&A Waukesha	33,190
<b>Track 2</b>	
Fox Valley	8,749
Bay Area	17,615
Western	37,071
South Central	268,705
Southwest	125,173
<b>Total</b>	<b>1,203,637</b>

**Agencies with no change:**

**Track 1:** Clark, Eau Claire, La Crosse, Marathon, Pepin, Pierce, Polk, Portage, Wood, FSC – FOV, MAXIMUS, OIC-GM

**Track 2:** WOW WDB, West Central WDB, NWCEP WDB